

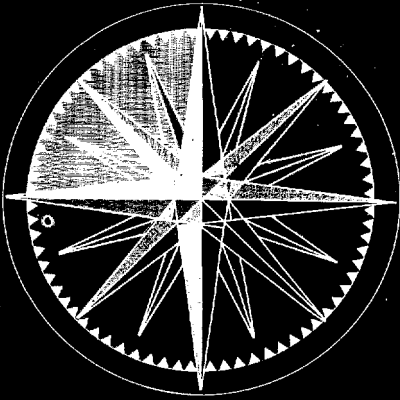
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SPECIAL REPORT

EFFECT OF VIETNAM WAR ON EAST EUROPEAN RELATIONS WITH THE US

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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EFFECT OF VIETNAM WAR ON EAST EUROPEAN RELATIONS WITH THE US

The war in Vietnam has not markedly altered the basic desire of the Communist regimes in Eastern Europe to work for improved relations with the US, even though the atmosphere created by the war has tended to dampen their responsiveness in recent months. Responsiveness to US "bridge-building" is, however, influenced by domestic as well as foreign policy considerations other than Vietnam. These governments continue to seek closer contact with the US in areas they consider directly beneficial to themselves. East European relations with Western Europe, which are not subject to many of the negative influences involved in those with the US, have been flourishing.

Vietnam Vs. "Bridge-building"

The Vietnamese war has, of course, created an atmosphere less conducive to US "bridge-building" in Eastern Europe, but has not seriously affected the basic interest of the regimes there in developing and expanding their relations with the US. This can be seen in the continued willingness of these regimes to engage in a variety of bilateral activities with the US--including some outside the realm of economics--which are of particular importance to them.

Nevertheless the regimes in recent months have often used the war in Vietnam as an excuse to avoid some undesirable action or decision in their dealings with the US. For example, the Poles delayed agreement on dedication of the Krakow Children's Hospital built with US funds because of the "international situation." The Czechs proffered the same excuse for cancellation of an agreement on several exchange students, and some Hun-

garian recipients of US scholarships have been denied passports "as long as our socialist brothers in North Vietnam are being killed by American bombs."

Attitudes on Aid to Vietnam

With the escalation in Vietnam during the past year, the Soviets called upon the East European leaders to close ranks against the US at least politically and to perform their "socialist duty" by pitching in and helping North Vietnam economically. This pressure met with varying responses.

Most of the regimes only gradually and somewhat reluctantly initiated anti-US propaganda campaigns. Rumania has never fallen into line on this point, often refraining from reporting Vietnam developments and almost never offering commentary of its own.

All the Warsaw Pact countries, however, including Rumania, have responded in a more

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or less uniform manner to Soviet urging for aid to Vietnam, mainly by providing trade credits of a few million dollars each and medical supplies. Nonetheless, there have been reports of Czechoslovak reluctance to become involved and to give this aid, and there has been a wide variety of responses to suggestions for bloc-wide coordination of this aid.

Eastern Europe's Dilemma

There is a long-standing long-range East European interest in trading with the US. There are, however, very few possibilities for any large volume of trade for some time to come, because East European products either have no ready market in the US or are rebuffed by US importers on political or other grounds.

Nonetheless, the Communist regimes are interested in keeping the door open for future trade possibilities despite international tensions generally or the Vietnamese war specifically. When a real opportunity for trade exists, Eastern European officials urge the US not to permit their Communist government's anti-American propaganda about Vietnam to interfere.

Thus, despite the Vietnamese war, Bulgaria has settled outstanding financial claims with the US, agreed to negotiate a consular convention, and opened contacts for a variety of technical and commercial arrangements. Hungary has gone

ahead with negotiations for a US-built hotel in Budapest and with interviews for an exchange of scholars under the long-range Ford Foundation program --Budapest's most effective and important cultural exchange program with the West. Czechoslovakia has permitted Pan American Airways to continue its provisional service to Prague and has remained receptive to numerous private commercial proposals.

Some of these measures mesh with Eastern Europe's continued efforts to attract US tourists despite any superficial deterioration in governmental relations. Some countries have initiated propaganda campaigns designed to reassure would-be tourists that they will be well received regardless of the "international" situation.

Negative Factors

There are also various unresolved economic and political questions of long standing which have had a negative or braking effect on the improvement of US - Eastern European relations. Cardinal Mindszenty's presence in the US Legation in Budapest and the still unsettled American financial claims against the Czechs are examples of such intractable problems.

In addition, the travel restrictions imposed in 1964 on all East European diplomats (except Yugoslav) in the US remain a constant aggravation. While all the Eastern European regimes except Rumania retaliated

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eventually with like limitations, Hungary and Czechoslovakia delayed for a long time in the hope that the US restrictions would be lifted.

Disagreement within almost all the Eastern European parties on the idea of improving relations with the US has accounted in some degree for the variation in responses on various issues. Where the anti-rapprochement factions are strong, as in Poland and Czechoslovakia, the increase in international tensions caused by Vietnam has strengthened the hand of these factions and helped bring about a slowdown or occasional setbacks to expanded relations. In Bulgaria, on the other hand, the Vietnam war has not been prominent enough in the party debate on US relations to outweigh consideration of economic needs, and Sofia in the past year initiated a policy of increased contacts with the US. The Rumanian party appears united on the policy and contacts with the US have increased over the past year.

Although the policy of building bridges to Eastern Europe, when first enunciated by President Johnson in 1964, responded to Eastern European needs and desires for increased contacts with the West in general, most of the regimes hesitated to react too rapidly because of the emphasis given in America to the political overtones of the policy. Constantly

reminded by official and press commentary in the US that the "bridge-building" would serve to wean these nations away from the USSR, Eastern European leaders have been forced to denounce the policy and publicly deny any compliance.

In another context, however, they have appropriated the slogan and molded it into a weapon of their own. For example, they seek "proof" of US sincerity and demand that the US cease this or that "aggressive" action if it is "really" interested in building bridges.

Many Eastern European leaders have told US officials that the main obstacle to unimpeded bridge-building is not Vietnam, or political considerations, but the purely economic factors which hinder trade--i.e., US export controls, the lack of adequate credits, and, most important, the absence of most-favored-nation (MFN) status for the countries of Eastern Europe except Poland and Yugoslavia. Bulgaria, Czechoslovakia, and Hungary are very anxious to obtain MFN status and, therefore, tend to attribute any lack of significant progress to "discriminatory" US trade policies.

To grant them MFN status at this time, however, would be primarily symbolic in that it would provide the "proof" so often demanded--and needed for political reasons by the regimes in these three countries--that

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East European Comments on Improving Relations with the United States

Policy of Increasing Contacts

We are for the utilization of all positive things which exist in capitalist society and which do not violate the socialist principles of life for our own society, and for the transfer of all cultural values which are produced in the capitalist countries and which are progressive for our country. We favor our having knowledge of them and we are not against their utilization. Moreover, we want to make use of scientific and technological knowledge and of its results which are a contribution to the development of the entire society and of man himself. We would like to learn a great many things from it and to make use of this. In this direction we do not want to isolate ourselves from the West. — Czechoslovak President and party first secretary Novotny, 3 December 1965

Vietnam Not the Major Obstacle

For us it is most important not to have discrimination against our country. As long as such discrimination exists, the possibilities for developing our relations will be limited. . . . Unfortunately too, there are many international political questions casting a shadow over our relations. We desire to develop relations regardless of these problems, but what can we do if we also find such legislative bars as exist. — Bulgarian Foreign Minister Bashev, July 1965

Leaders of the United States of America have recently referred again in public statements to their wish to improve trade relations with Eastern European socialist countries. The conflict in Southeast Asia, of course, casts a shadow on such opportunities also. But, assuming that the efforts to bring about a negotiated settlement of Southeast Asian questions are successful, it is clear that the open questions of Hungarian-American relations cannot be solved fully until discriminatory measures in trade relations are lifted by the United States. — Hungarian Foreign Minister Peter, 28 January 1966

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the US is genuinely interested in improved relations. It would not, however, stimulate any immediate significant increase in trade, because of the inability of most Eastern European countries to generate a very large volume of exports of interest to US traders.

Rumania was able to turn Westward in 1963 principally because it had already achieved a relatively independent economic position and had goods to sell which the West was willing to buy. This is not yet the case, however, for Czechoslovakia, Hungary, Poland, and Bulgaria, which are still dependent on the USSR and bloc trading patterns.

Relations With Western Europe

In view of these various problems connected with improving relations with the US, Eastern Europe has pursued increased trade and cultural contacts with Western Europe. The rapprochement in this case is eased not only by traditional ties but by the fact that Western Europe does not promote the detente as a divide-and-conquer policy. Moreover, Western Europe is not clearly identified as "the enemy" in Vietnam. Even contacts with West Germany--still genuinely feared in Eastern Europe--have been thriving mainly because of a willingness on both sides quietly to conclude agreements economically beneficial to all concerned.

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